

Message Text

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ACTION EB-08

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FM AMEMBASSY LOME

TO SECSTATE WASHDC 3414

S E C R E T LOME 180

EO 11652: GDS

TAGS: EINV BEXP TO US

SUBJ: US FINANCING APPARENTLY FOUND FOR LOME II COMMERCIAL
CENTER

REF: A 77 LOME A-32 B STATE 14670

1. DR KODJO PINTO VISITED AMBASSADOR TO REVIEW PROJECT
WHICH HE HAS BEEN SEEKING TO DEVELOP IN LOME II, WHICH WILL BE
NEW SUBDIVISION DUE NORTH OF CITY. PROJECT INCLUDES HOTEL, SHOPPING
CENTER, FACTORY TO PRODUCE VETERINARY MEDICINE, SHOPS, SHOWROOMS
AND MOVIE THEATER. OVER-ALL COST OF PROJECT IS \$40 MILLION.

2. PINTO HAD TELEX FROM BRODSKY AND AD34 :9, 547:589, :9.0-.6
(BHA INTERNATIONAL DIVISION, 800 SECOND AVE, NEW YORK, TEL
212-687-1272) STATING THAT THEY PREPARED TO PUT UP 75 PERCENT OF
CASH REQUIRED FOR PROJECT. BHA HAS APPARENTLY LOCATED SWISS
FINANCING FROM THE AUSTIN BANK. PINTO WILL DEPART LOME FOR US
TO SIGN CONTRACT ON JANUARY 20.

3. PINTO SAYS PROJECT HAS BEEN GUARANTEED BY CENTRAL BANK AND
BTCI, A LOCAL BANK AMERICA AFFILIATE. HIS TOGOLESE PARTNERS
ARE PRESIDENT EYADEMA, MINISTER OF PLAN DOGO, MINISTER OF
FINANCE GRUNITZKY, MR GABA-IDIAMEY, HEAD OF NATIONAL INVEST-
MENT COMPANY, AND LOME MAYOR FOURN.

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RM PINTO SAYS HE HAS MET WITH PRESIDENT AND OTHER MEMBERS OF
GROUP TO DISCUSS VENTURE AND HEAD OF TOGOLESE CHAMBER OF COMMERCE
AND INDUSTRY DJONDO ARGUED THAT FRENCH, WHO WERE TRADING PARTNERS
OF TOGO, SHOULD GET PROJECT. PINTO SAID HE EXPLAINED THAT AMERICAN
COSTS WERE LESS AND THAT FRENCH WOULD PROBABLY SEEK US FINANCING
IN ANY EVENT SO THAT IT WOULD BE PREFERABLE TO DEAL DIRECTLY
WITH US INVESTORS. PRESIDENT REPORTEDLY SAID THAT TOGO SHOULD

TRY AMERICAN INVESTMENT IN THIS CASE SINCE" THE AMERICANS HAVEN'T DONE ANYTHING VISIBLE HERE."

5. CONDITION OF PROPOSED LOAN IS THAT LOCAL GROUP TO PUT UP 25 PERCENT OF FINANCING PLUS LAND. PINTO SAID THAT HE EXPECTED LOCAL GROUP WOULD MANAGE TO GET ITS SHARE OF FINANCING FROM EITHER GERMAN OR FRENCH LOANS.

6. COMMENT: PINTO IS EXTREMELY PRO-AMERICAN AND DID GRADUATE WORK IN THE US. HE HAS RETURNED TO TOGO WITHOUT MUCH IN THE WAY OF LOCAL CONTACTS, BUT HE HAS BROUGHT WITH HIM SOME UNDERSTANDING OF HOW THE US MARKET OPERATES. AMBASSADOR SAW COPIES OF CORRESPONDENCE AND THEY APPEARED VALID AND APPARENTLY THE PROJECT IS REAL. ACCORDING TO PINTO, PRESIDENT EYADEMA'S INTEREST IS IN SEEING HOW US SUPPLIERS WILL PERFORM AND WHETHER, INDEED, COSTS ARE LOWER THAN FRENCH FINANCING. EYADEMA IS BUILDING A HOUSE IN THE LOME II AREA WHICH IS DESIGNED TO BE A SORT OF

"NEW CITY." EVENTUALLY THE ECOWAS FUND HEADQUARTERS IS TO BE BUILT THERE AS WELL AS HOUSING FOR CIMAO AND BOAD.

7. FYI: TO DEMONSTRATE THE COSTS OF FRENCH MIDDLEMEN, PINTO HAS OBTAINED A US OFFER TO PROVIDE BROKEN RICE AND \$330 A TON CIF IN CONTRAST TO THE \$500 A TON CIF PRICE WHICH THE TOGOLESE APPARENTLY ARE PAYING. END FYI. PALMER

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